

THE PARTNERSHIP AGREEMENT

If you decide a partnership is the way to go, you should give some serious consideration to defining your relationship by way of a partnership agreement.

While you can let the relationship between you and your partner(s) be defined by provincial statute law – in which case liabilities and profits are split equally – it is usually a good idea to have a written agreement. It forces you and your partner(s) to determine your respective roles and responsibilities before you go into business together, reducing the risks for conflict later on.

A partnership agreement outlines how:

- The partnership property is owned
- The work is divided
- The profits – and liabilities – are shared

It also spells out what happens to the partnership if one partner dies or withdraws, and sets up a method for buying back the partner's share.

You should have a lawyer draw up your partnership agreement – and you and each of your partners should have his or her own lawyer review it before signing; to make sure your individual interests are protected.

The business name, as well as the names and pertinent information of all the partners, must be registered with Service Ontario under the Business Names Act. This registration must be renewed every five years.

Please note that the registration of the business name does not in itself ensure the exclusive use of that name in Ontario for the individual/partnership registering it. Service Ontario has no obligation to avoid name duplication or to advise anyone registering a name that it has been previously registered. For more information on partnerships, please see our guide entitled "Registering a Sole Proprietorship or Partnership".

Ontario Business Name Search & Registration

On-line Registration: www.serviceontario.ca

In Person:

Service Ontario
100 Dundas Street
London ON, N6A 6G8
1-800-565-1921

To book a consultation, please call 519-659-2882.